

WALL STREET JOURNAL
5 SEP 1973

CIA-Linked Airline Won't Seek Renewal Of 2 Key Licenses

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — Southern Air Transport Inc., a Miami-based charter airline understood to have been secretly owned by the Central Intelligence Agency since 1960, informed the Civil Aeronautics Board it won't seek to renew two key operating certificates.

In a letter mailed over the weekend to the administrative law judge handling a massive supplemental airline certificate renewal case, Southern Air said it decided it won't prosecute its applications involved in the current proceeding. They include renewal of its authority for cargo and passenger operations from the U.S. across the Pacific to Asia and Australia and between the U.S. and Caribbean points. The transpacific certificate, one of only three granted to charter carriers by the CAB in 1966, has been considered Southern Air's most valuable asset.

Industry sources said Southern's action probably means its applications eventually will be dismissed. Loss of the Pacific and Caribbean authority wouldn't necessarily halt Southern's operations but would inhibit any growth plans. It would continue to hold domestic passenger and cargo and certain world-wide cargo operating rights.

Southern didn't state any reason for its action in the certificate matter. The Wall Street Journal last week disclosed that an application to purchase control of Southern, pending before the CAB in a separate case, apparently represents an effort by the CIA to secretly sell its interest in the airline to Stanley G. Williams, Southern's president. It was reported Mr. Williams filed the application. Other airlines have protested against the sale on the ground it involves illegal government ownership and financing of a certificated carrier.